

FARMER'S REPORT

MARKET TRENDS | 8.29.2014

US.
FOODS
KEEPING KITCHENS COOKING.®

MARKET HEADLINES

Markets continued their rapid inflation across several commodities. The commodities experiencing the most dramatic increases are beef and dairy. Below are some of the call-outs from the market report this week that are most impactful to your business.



Consistent with last week, the beef market continues to deal with the impact of less fat cattle availability, both seasonally and year over year. Currently, steer/heifer production is ranging from 8-10% less than last year at this time, and 15-20% less cow production which has impacted the trimming complex and how the rest of the animal is sold to the market. Couple this with record high live cattle costs, the market has reacted accordingly going into the late summer and holiday months. Where discounts are seen on some cuts, tenders are the exception for several reasons:

- Buyers who did not procure their Labor Day needs and/or did not buy enough to fulfill their demand, have stepped into the market late and are driving prices up as they need quick delivery.
- In anticipation of higher costs, buyers moved into the market, further tightening supply. Product during the height of the Holiday season is expected to be in an extreme tight supply situation.
- A very large retailer that, originally, chose not to feature beef for Labor Day has scheduled last minute holiday ads, therefore they have made immediate delivery purchases that have further tightened supplies.

TENDERS

Tenders are making their seasonal advances and the limited quantity of tenders has even greater pressures as it takes many more animals to make a standard case while there are far lower harvest numbers.



BUTTER

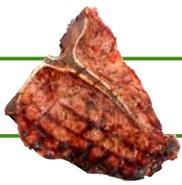
Current butter market has now surpassed the all time record high set in September of 1998. Several factors are driving this market.

- US milk production overall in 2014 is not keeping up with domestic and international demand. This supply issue has driven prices up for all milk components, especially cream.
- Given that supplies are tight on cream and the pricing is high, many butter manufacturers found it more advantageous to sell off their cream to the highest bidder than to actually churn butter.
- Therefore, butter inventories did not build during the first and middle part of the year. Inventories are currently at the lowest point in at least 5 years and declining each month.
- 50% of butter sales happen in the fourth quarter of the year as holiday baking season is the peak demand for butter.
- Overall domestic butter demand has been very strong in 2014.
- There are ongoing fears of the severe drought in California.
- Given there is little inventory to sell, the market price is attempting to curb demand. Markets are expected to remain high or potentially increase through the baking season and then retreat to more normal levels by the start of 2015.

CHEESE

Cheese markets have hit their highest levels since April. Cheese markets continue to maintain over a 10% premium to last years' cheese prices. The main factor supporting these record high levels is record demand:

- 2014 has had record high domestic demand which is continuing to support current markets
- Seasonally, demand picks up in Sept - Nov which will support markets moving higher even further
- US milk production cannot keep up with domestic demand for butter/cream/cheese, and international demand for whey powder.
- YTD record high exports have caused additional pressure on cheese supply. China exports were up 80% through the first half of the year
- Until demand softens, it is forecasted that markets will continue to stay elevated well into Q4



BEEF

Live cattle traded down last week 5 cents while projections for this week are to be down another 2 to 4 cents. Production levels still remain well below prior year as suppliers continue to try adjusting prices to keep inventories moving. Activity still remains brisk as buyers are stepping in to fill their needs for the upcoming Labor Day holiday.

ROUNDS

INSIDES: Prices have retreated backwards this week as more inventories have become available. Forward projections show additional downside risk.

FLATS: Bottom round flats are following the insides. We should see the same time frame of downward price adjustments as the inside rounds.

LOINS

STRIPS: The strip loin market is struggling to hold its value. We saw discounting this week as suppliers are trying to keep inventories moving. More downside is expected as we come out of the grilling season.

TOP BUTTS: Top Sirloins moved downward this week compared to an up market last week. The trend will be downward pricing as we come out of the grilling season.

BALL TIPS: Ball-tips reported heavy demand from buyers this week driving costs up, but we do project a downward turn in the market as we go into September.

TENDERLOINS: Choice tenderloins continue to move upward aggressively with heavy demand, while select tenders moved upward compared to the previous week. Forward projections are that we will see more upward direction in price on choice tenderloins while the select tenderloins will remain flat.

RIBS

RIBEYES: Light choice and select ribeyes moved sharply upward this week with heavy demand while the heavy ribeyes saw more moderate price adjustments upward.

CHUCKS

CHUCK ROLLS: Chuck rolls are under pressure with prices adjusting downward, we do project lower pricing levels into September.

THIN MEATS & GRINDS

FLAP MEAT: Choice flap meat was reported steady from the previous week, while select flap meat continues to struggle in the market where suppliers are discounting product to keep inventories moving. We will see continued downward pressure through September.

BRISKETS: Briskets remained sideways this week with not much movement to price. There could be some renewed interest in front of Labor Day.

GRINDS: Markets moved upward slightly from last week. We do project heavier demand as we finish out the month which will increase the price of ground beef.

SKIRT MEAT: Outside skirt rebounded this week, and we will most likely see price fluctuations through Labor Day. They should drift lower going into late summer.





PORK

Base hog prices are trading steady to slightly lower as buyers have almost filled their needs for this week's schedule. Participants are starting to look toward for next week's needs. Seasonal trends point to more hogs and lower prices, so producers are trying to move animals out now rather than hold them until after the holiday. Slaughter numbers were lower than expected last week coming in at 1.997 million head. This was 9.6% below year ago levels (prior week's numbers have been running 7% below year ago levels). This week's slaughter estimates are slightly higher, at the 2.0 million head mark, but still trending 9% below year ago levels. Typically, hog numbers gradually begin to increase now through the fall and winter timeframe however, overall projections show lower hog supplies (year over year) through the fall timeframe.

Hog weights remained steady last week, with animals averaging about 5% heavier than year ago. Overall, we are coming out of the period of declining hog weights and moving into the cooler fall months. Thus, hog weights are expected to begin gradually moving higher through end of year. This may result in larger, heavier pork cuts and tight supplies of smaller sized items.

The Russian sanction on U.S. and Canadian pork products continues to impact the U.S. Supply base as a significant amount of Canadian pork (mostly hams and bellies) move into the U.S. for processing. This continues to put pressure on the ham and belly markets over the last week. The influx of product is expected to continue through mid/late September as Canada looks to fill export needs of other countries. Thus the price of hams and bellies is expected to firm through the mid to late September timeframe.

On the overall demand side, last week pork prices traded lower across the pork complex. Bellies, Hams, Loins, Spare and Back ribs and Butts continue making their seasonal move lower. This week's market outlook shows the commodity cuts moving lower due to lackluster product demand. In the upcoming weeks, expect prices for commodity pork items to gradually move lower as product demand weakens due to lack of retail promotions. It is important to note that commodity pork prices are still averaging 20% higher than 2013 levels (due to PED virus).

On the processed meat side, hams and bellies are moving lower on weaker short term demand and unanticipated increases in supplies. Hams and bellies are expected to move lower in the upcoming weeks as additional product moves across the border.

LOINS

The market for bone in loins and boneless loins moved lower last week on lackluster demand as buyers assess their inventory positions before the holiday. Prices for bone in and boneless loins are to trade steady to lower over the next two weeks, then firm as retailer promotions pick up in anticipation of Pork Month (October) promotions

TENDERS

Pork tenders traded lower last week as buyers pause and review their inventory positions for Labor Day promotions. Prices are expected to trade steady to lower on weaker short term demand. Prices expected to firm and move higher late month due to October retail promotions.

BUTTS

Prices for bone in pork butts moved lower last week and early this week due to weaker demand. Prices are expected to continue their seasonal move lower, however prices may firm late September in anticipation of October promotions. Prices are expected to continue trading above 2013 levels through the fall.

RIBS

Spareribs continued their seasonal move lower last week on weaker short term demand. Prices continue lower this week as buyers review their inventory positions. Back Ribs traded lower last week on weaker demand. Buyers are waiting for inventory to clear before stepping back into the market. Prices for both Spare Ribs and Back Ribs are expected to move lower through September then firm during early October. Light Spareribs, St. Louis ribs and Back ribs, are expected to remain in limited supply due to heavier hog weights. Frozen ribs are in tight supplies as packers work to clean out their freezers.

BELLIES/BACON

Bacon/Belly prices traded lower on increased supplies from Canada and weaker than anticipated demand. Processors continue to utilize their frozen bellies leaving extra fresh bellies on the market. Additionally, Cold Storage reports belly stocks are higher than expected, which puts more pressure on fresh market prices. Belly prices are expected to move lower through mid September, then firm. Foodservice is expected to step in with bacon features and retailers are expected to promote bacon items during the October timeframe. Foodservice bacon promotions may last through the holiday season.

HAMS

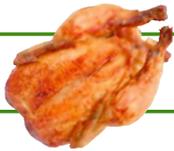
Ham prices took declines last week due to Russian import bans on U.S and Canadian pork products. The ban has resulted in a significant amount of Canadian hams moving into U.S. processors. Ham prices continued lower this week however the rate of decline has slowed. Prices are expected to continue trending lower through mid September, then firm and gradually move higher as Canada discovers alternative (export) outlets for their product. Ham prices are still expected to remain above year ago levels through late fall.

TRIM

The following market dynamics will impact finished goods pricing during September. Pork trimmings started their seasonal move lower during the last week. Further declines are expected during the September timeframe. Thus September prices for processed meat items, like hot dogs and dinner sausage are expected to move lower during the September time frame. Prices expected to remain above 2013 levels.

PICNICS

Pork Picnics continued moving lower as processors wrap up sausage production for the 2014 season. Additionally, decreased export demand may put additional product on the market and put pressure on current price levels. Prices are expected to trade steady to lower in the upcoming weeks but may firm as processors make products for Oktoberfest promotions. Seasonal declines are expected during the fall, prices are currently trading 50% above 2013 levels.



TURKEY

WHOLE FROZEN TURKEY

The whole turkey market continued its slight upward movement as last minute bids are being placed for Thanksgiving. There is an abundance of birds coming out of the hatcheries this summer that will increase supplies in the fall. This should help stabilize the market.



POULTRY

This past week was a period of wait and see for the poultry industry. The retail features planned for the week before Labor Day were toned back with the softening prices of the pork complex. Many retailers are trying to get pork involved in the final week of the grilling season. The poultry market, as a whole, stayed balanced and flat. Processors have found homes for the Russian displaced dark meat complex, and trended sideways for the first time in a few weeks.

September should be a time for the poultry market to start its yearly trend of price deflation, with the exception of the wing complex. The market normally starts its annual deflation in June, but this has not been a normal year, mainly due to weather, propane shortage, fertility issues in the breeder stocks and the massive price increases of the rival meat proteins. The market should trend downward, with the exception of wings, until spring.

Hatcheries in the United States weekly program set 213 million eggs in incubators during the week ending August 16, 2014, up 2 percent from a year ago. Hatcheries in the 19 State weekly program set 205 million eggs in incubators during the week ending August 16, 2014, up 2 percent from the year earlier. Average hatchability for chicks hatched during the week in the United States was 83 percent. Average hatchability is calculated by dividing chicks hatched during the week by eggs set three weeks earlier.

Broiler growers in the United States weekly program placed 175 million chicks for meat production during the week ending August 16, 2014, up 1 percent from a year ago. Broiler growers in the 19 State weekly program placed 169 million chicks for meat production during the week ending August 16, 2014, up 1 percent from the year earlier. Cumulative placements from December 29, 2013 through August 16, 2014 for the United States were 5.68 billion. Cumulative placements were down slightly from the same period a year earlier.

BONELESS SKINLESS TURKEY BREASTS

The record high of \$4.00 per lbs for boneless, skinless Turkey appears to be at or near the ceiling as the market remains steady. Boneless breasts are almost impossible to find on the open market. This situation will not loosen up until the fall.

BONELESS SKINLESS BREASTS

The market has remained flat despite the fact that the retail segment has taken their full concentration off chicken and has shared the front page features with the pork complex. This market should remain steady for another week before beginning a deflationary trend.

CHICKEN TENDERLOINS

There are indications that the QSR segment may be counting on tenderloins, along with wings, as their promotional tool to keep sales up during the football season. The costs of tenders are traditionally over valued and are showing signs of the fall deflationary trend.

WINGS

The wing market continued its slow and steady climb in price as all segments prepare for football season. The wing market will continue to climb or at least stay strong until NFL's Super bowl games have been played.

BONELESS SKINLESS THIGHS

The boneless thigh meat market remained flat, giving indications the poultry industry has found new homes for the dark meat complex. This market should stabilize in September.

The next few weeks will be a critical time for this market, and how it will affect the rest of the complex.





COMMODITY GROCERY

SOYBEAN OIL

Current U.S. weather forecasts continue to show no threat to the soybean crop and there is no reason to not expect record yields at this point. Pod setting season is nearly complete among nearly ideal conditions. Bean crop is expected to get bigger. Delta region has begun harvesting. Crop conditions are rated at 71% good to excellent, well above the five year average. The recent surge in new crop meal sales should lead to an even higher crush as we move into Q4. New crop meal sales are already 2.5 times larger than we have ever seen. South American soybean planted acreage is expected to be up nearly 5% this fall as growers had ample opportunity to hedge their crops at higher prices.

PEANUT OIL

Harvest will begin in mid September. The growing season has been good and adequate crush stock is expected, although lower than last year.



DAIRY

BUTTER

The butter market surpassed the all-time record high set in 1998. Current market is 98% higher than this week last year which was the low point of the market in 2013. Cold storage inventory numbers are the lowest seen in over 5 years. Holiday baking season is right around the corner and the concerns continue over insufficient inventory levels to meet this peak demand.

CHEESE

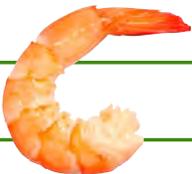
Cheese prices are at the highest levels since April. We are nearing all time record high cheese prices and the biggest factor is demand. With the highest all time markets earlier this year, buyers did not build inventory levels, which has caused buyers to start booking their needs prior to seasonal demand picking up. Markets are not expected to drop until after the seasonal demand has dropped. Cheese prices were not expected to hit these levels this soon, demand is the main factor keeping prices at these levels.

SHELL EGGS

Egg markets are once again rising. Overall supplies are well balanced. California is instituting new shell egg laws effective in 2015 which will impact the entire shell egg industry. Expect inflation on shell eggs through the remainder of this year and into 2015

MILK & CREAM

For the month of September, fluid milk prices are beginning to see slight declines. Overall production is in line with increased demand due to the start of school. Unfortunately, butterfat prices are increasing and overall cream demand continues to outpace availability. Right now, heat stress in dairy cows is causing general output to have lower butterfat levels. Cream demand from butter churns will continue to keep cream prices at their current levels or higher through the holiday season. Items that have high butterfat content will have increases, specifically, heavy cream and sour cream.



SEAFOOD

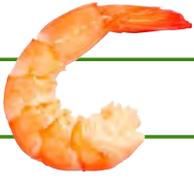
SHRIMP, DOMESTIC (WHITES AND BROWNS)

The headless shell on domestic shrimp market is largely unchanged from last week. Since the Texas season opened in Mid-July, catch rates are running behind last year, which happened to be one of the worst seasons in recent history. There has been difficulty filling orders, and some bidding wars have ensued. The next round of boats to come in will mostly be used to begin packing to get through until next season opens, so it's beginning to look unlikely that we'll see price relief. Domestic White from Louisiana season began last week, and it is providing some relief, where packers can catch up to pending orders. A question remains if the market will continue to support the increasing price spreads between domestic & imported, if not some conversion may take place and demand will quiet.

SHRIMP, LATIN – CENTRAL AMERICA (WHITES)

41-50 count and smaller are barely steady at listed levels with some slight discounting noted on the 41-50 and 51-60 due to quiet demand. Although pricing is not changing a lot this week, it has been on the rise the past few weeks as a result of the typhoon in China.





SEAFOOD (CONT'D)

SHRIMP, IMPORTED

(BLACK TIGER AND WHITES)

TIGER: The HLSO market is on the rise as supply remains tight, especially in the very larger sizes. The new economics of growing shrimp has farmers pulling the ponds before the shrimp reach the larger sizes. Beside the fact that leaving the shrimp in the ponds longer has more expense, there is a great risk of crop failure. EMS disease, in Asia, is being managed, but has not been completely conquered. As we've been recommending, conversion to whites remains a sound strategy, as the market will now dictate large gaps in pricing between the Tigers & Whites.

WHITES: The Asian White HLSO is largely unchanged, but conditions are pointing toward upward pressure on pricing. Cooked and P&D markets, in Asia are steady firm. Central/South America steady with 31/35s and 36/40s showing an increase this week.

CATFISH, DOMESTIC & IMPORTED

DOMESTIC: The domestic catfish was steady this week and supplies are adequate for demand.

IMPORTED: The market was stable this week; however, the underlying tone for pricing is very firm. Inventories in the US are getting tighter, and in some cases not available. This is a result of the spring harvest that was considerably lower than LY. Awaiting fall harvest to set pricing that will take us into December.

SALMON

CHILEAN FARMED SALMON: The Chilean frozen fillet market remains unsettled. Both higher and lower offerings are noted on all sizes. Due to the Russian sanctions, there may be upward pricing pressure on frozen fillets

The Chilean whole fish is unchanged and the undertone is full steady. A few higher offerings are noted. Suppliers report that demand from Russia has increased for Chilean salmon. The undertone, however, remains unsettled as the market continues to adjust to a new supply pattern given Russia's ban on Norwegian salmon shipments.

WILD ALASKAN SALMON: The net king market trended lower and a few still lower offerings are noted. Supplies of net kings are fully adequate for a lackluster demand. The troll king market is unchanged along with the Sockeye, Chum, and Coho markets.

MAHI MAHI

Another spike in fresh mahi-mahi market prices was noted; a result of increased replacement costs. Watch to see how the frozen markets react.

SCALLOPS

SEA: Prices were steady this week, but have a firm bias.

BAY: Pricing unchanged this week.

TILAPIA

Pricing was stable this week on Tilapia, due to this year's supply being better than earlier in the year. However, with China's growing demand for this fish we may see pricing increasing in the fall, especially on larger sizes.

WHITEFISH COMPLEX

(COD, POLLOCK, HADDOCK)

COD: The market for Atlantic and Pacific Cod was stable this week.

POLLOCK: The market remains stable on both domestic and imported Pollock fillets.

HADDOCK: The market was steady this week.

KING CRAB

RED & GOLDEN: Alaska has called for a ban on Russian seafood imports in retaliation for Russia's ban on US food shipments. Despite the justice of this, it may be a case of be careful what you wish for. For King crab, a shutdown of Russian product - which supplies about 90% of the US demand - would destroy the market. After years in which the Deadliest Catch gave a huge boost to crab consumption, nothing would make consumers madder than boosting a product that is unavailable. No retailer or restaurant wants to put themselves in that position of making their customers mad - so there would be a massive migration away from King Crab

TUNA, YELLOWFIN

(CO TREATED)

The market rallied due to higher replacement costs and thinning inventories in the U.S. The undertone is full steady.

CRABMEAT

(BLUE & RED, PASTEURIZED)

Both Blue and Red markets are stable this week. Both categories remain extremely tight on supply and pricing has a very firm undertone. This situation will be consistent throughout the summer as supply will not improve until the fall, and we may see some gaps in supply. Imports are down about 7-8% for Red Crab (Chinese) Expect pricing to get firmer.

SNOW CRAB

CANADA: Pricing remained steady this week. Supplies are adequate to barely adequate for active demand.

ALASKA: The market was stable this week with quiet demand. There may be a bit of discounting on the horizon as traders look to convert inventory to cash so they can participate in the King markets.

LOBSTER TAILS

WARM WATER: Brazil is full steady to firm with a few lower offerings noted on 4 and 5 oz. tails. Production has been related as slow. Caribbean quotations are listed. Most offerings are within the listed range although the market remains unsettled at the beginning of the season

COLD WATER: Markets firm with some higher offerings.

NORTH AMERICAN LOBSTER : 3-4, 4 & 4-5 oz. tails continue full steady with a firm undertone as offerings trend higher. Factors including fishing in Maine that has been slow to ramp up, a good live demand and an active Asian demand have contributed to the stronger undertone. 7-9 and 8-10 oz. tails continue mixed with some lower offerings noted.

PRODUCE

VEGETABLES



POTATOES

Russets: Idaho shippers are seeing plenty of demand but the supply is limited as only half of the region is shipping the new crop Norkotahs. By September 1st, all growers will be harvesting. So far, the quality is very good with very few reports of skinning or immaturity. The market will remain consistent until after the holiday. Some growers are expected to have new crop Burbanks in early October. In the other regions besides ID, prices are leveling off for all sizes. So far, many areas are reporting that the larger sizes (40s and 50s) are harder to come by, but this will most likely change in the next few weeks. Overall, excellent quality is seen throughout.

Reds: Growers are seeing plenty of supply of as and Bs. The pricing on As remains low and will most likely remain that way as the demand is low. Pricing on the Bs may begin to rise as the supply is meeting the increasing demand.

White, Yellow and Fingerling: The white potato crop is seeing stable supply and demand in the East and Northeast. Crop quality is great with great sizing and yields. Shippers from PA, DE and WA are seeing a wide range of quality with the yellow potatoes. Some are reporting poor appearance. Quality is dictating the FOB.

Sweet Potatoes: Harvesting has begun in North Carolina and so far the sizing and quality are good. At this point, there should be some uncured product on the market. It is still expected that cured product will be available in mid-October.



GARLIC

Limited supply of Garlic from China continues with prices higher than normal. There isn't any extra California Garlic to meet the current demand which continues to create pressure.



CABBAGE

Cabbage markets and demand continue to be steady. Wisconsin, Michigan, New York and Canada are still producing good supply. Quality is good in all growing areas.



LEAF LETTUCE

Supply on Romaine remains light. The quality is good, but there is reported fringe burn, ribbing and some pest damage. This will most likely remain an issue throughout September and possibly into October. Green leaf is still firm on price with good quality and light supply. Red leaf continues to have normal supply.



ICEBERG LETTUCE

Supplies remain steady but this is met with strong demand. The quality is okay but there has been some heat damage and mildew. Some growers are citing longer cores, lighter box weights and some puffiness due to the warmer weather. The markets are flat this week, but expect it to gradually increase over the next few weeks due to limited supplies



ONIONS

Northern CA and NM shippers have depleted their old crop inventory as new crop shipments have begun in CO, ID, OR and WA. New crop from the East Coast will be available in a week or so. By mid-September, we should also see product shipping from MI, NY, WI, ND and Canada. With the influx in supply, pricing should remain lower than last year throughout the season.



CHILE PEPPERS

The market is stable with high volume from production out of North Baja and California regions. Quality is good.



CUCUMBERS

Michigan continues to provide ample supplies but quality is variable due to the recent rains. The FOB pricing remains weak. On the West Coast, harvesting continues in Baja. The region is experiencing issues with insects and water, which may bring the harvesting of this crop to an end sooner than expected.

PRODUCE



SQUASH

East Coast shippers are still facing challenges with quality on the yellow squash as there is continued rainfall and scaring issues. However, quality on the green squash remains good. Demand for both varieties remains weak but the market is active. West Coast is experiencing quality issues with both yellow and green – quality will dictate FOB.



BELL PEPPERS

Product continues to ship from NC, NJ and MI. Recently, transportation out of MI has been a challenge. Overall the demand is weak and the quality is variable due to the rain. Overall the FOB remains low and may continue to drop in the next few weeks. West Coast shippers have plenty of supplies which is weakening the FOB price.



TOMATOES

Rounds: All shipping regions are experiencing similar issues – plenty of supplies and weak demand. Overall, most sizes are available but the larger rounds are harder to come by. It is expected that there will be plenty of supply through September as long as the rain holds out. Overall the quality is good.



CARROTS

Carrot supplies and markets remain steady. Bakersfield is continuing to produce good quality and sized carrots.

Cherry and Grape: Both East and West Coast shippers are experiencing plenty of supplies but not enough demand. The quality is very good throughout both regions and the pricing remains steady.



CELERY

The market continues to remain steady. Good supply coming from both California and Michigan. Strong yields to continue through early September. Quality is good with dark green color. Sizes are peaking so smaller sizes are limited due to warmer nights accelerating the growth.

Romas: On the East Coast, shippers have plenty of supplies but they continue to experience a weak demand. This has driven the FOB price down slightly. The West Coast has had a steady market and McAllen has had decent demand. Baja and McAllen are also stating that they do have larger sizes available.



GREEN ONIONS

Supply and demand for Green Onions are steady. The market is stable. Quality is excellent with no reported issue.

GREEN BEANS

Bushel green bean markets are down a little this week. Michigan, Wisconsin and Tennessee are meeting the demand in the East with moderate supply. Quality is good in all growing areas. West is short and quality is fair but new fields expected to start in a week which will relieve some of the pressure.



CAULIFLOWER

Supplies are very light this week. A higher market is expected. Quality is good with creamy white to white curds. Some quality issues are reported such as mildew, fuzziness and bruising on arrival. Supplies are not expected to increase through the month of September.

EGGPLANT

NJ continues to be the main supplier on the East Coast for eggplants and there is a gradual upward pressure on FOB pricing. Stockton and Fresno are shipping as well with a stronger market but supplies are tight.



ASPARAGUS

Market is up slightly for asparagus this week. Volume is down with Mexico finishing up. Most of the supply is coming out of Peru and light supply out of Baja.



BROCCOLI

Good supply and quality coming out of Maine. Market is strong due to the light supply on the West Coast for at least the next 2 weeks due to hollow stem and brown beads caused by humidity and high temperatures over the last week.

PRODUCE

TROPICAL



PINEAPPLES

Supplies of quality fruit have decreased due to a drop in production. The market was flat this week.



BANANAS

Overall demand has slowed down in spite of some back to school ads. With the additional volumes available at production, promotions are encouraged.



AVOCADOS

In California, the volume has decreased last week. Production is on the rapid decline and bin counts are down. Supplies are coming from more of the northern orchards and inventory is shifting towards smaller sizes. Reports for next year's crop have been positive. The Mexican avocado market has strengthened. The volume has remained steady and demand is steady. Prices at the field have risen. The Loca crop is peaking on 48's and the Loca crop volume is declining every week with smaller fruit becoming more limited. The normal crop is slated for release in early to mid September.

MELONS



CANTALOUPE

The market is steady. Demand has increased and some production numbers have slowed a bit this week. Next week is expected to pick up on production. The overall quality is excellent with beautiful interior color and sugar and very nice clean netting and shape.



HONEYDEWS

The market is steady with excellent quality and nice green to cream cast and excellent green internal color and excellent sugars. Demand is still moderate. Industry volumes are steady and the overall quality is good.



WATERMELON

The market is steady with good supplies and very good demand, the overall quality is excellent with great sugar and nice firm internal meat and excellent color. Expect the market to keep steady as demand has been excellent through the month of September.

BERRIES



BLACKBERRIES

The demand is steady. Volumes are increasing in the east as the late varieties come on. Expect volumes to increase during week 38 and then will begin to wind down. Mexico is projecting a mid September start to the season.



STRAWBERRIES

This market was flat this week, but strawberries are extremely tight right now. This has been trending for a while but has picked up quite a bit this last week. Product is tight and quality is challenging, bruising and overripe should be expected. Santa Maria's summer crop volumes are ramping up more volume than anticipated last week however overall; volumes remain limited. The Watsonville volumes fell short of estimates on the winter crop and it is expected that they will both continue to decline as growers manage quality and move substandard fruit to the freezer or processors. There are continued reports of not enough labor in all regions.



RASPBERRIES

The demand is steady with a relatively low market. The overall volumes are declining as raspberries transition from the end of the heritage varieties to proprietary production. Expect harvest to see declines weekly until crop end and a new start to Mexico. Harvest in Mexico is expected to begin mid September.

PRODUCE



BLUEBERRIES

Blueberry demand and markets are very strong and prices are up. The Michigan crop is moving onto later varieties. Last week the region experienced rain and severe weather in some areas and harvest was reduced in relation to expected volumes. This week calls for warmer weather and growers are expected to produce for the next three weeks and then wind down quickly. The western blueberries have late varieties peaking with reports of high temperatures. This harvest is expected to continue through the next few weeks.



GRAPES

The market is steady and strengthening on most varieties as we are moving into a few different red varieties and demand is very good with excellent sugar and quality on all varieties. This is expected to continue through November if there are no major weather issues. Expect quality to stay strong.

HANGING FRUIT



APPLES & PEARS

Apples: All imports are finished for this season except for the occasional cleanup. The red delicious market is expected to climb in the next few weeks as well as Fuji's and Golds. New crop apples like Galas, are at a reasonable price and will be good for promotions.

Pears: The Bartlett pears continue to be packed out of California and should be finishing within a few weeks. Northwest fruit has started and D'Anjou pears are expected in the first part of September. Bosc and other varieties remain very expensive due to a decrease in crop production and due to the fact that California has the only fruit available. The market is expected to ease up once the Northwest begins in mid September.



CHERRIES

Packing is done for the season; packers are just cleaning up inventory now. The next cherries we will see are from Chile in December.



CITRUS

LEMONS

Demand exceeds supply in all sizes and grades and will expect to be in this situation until around the third week of September when the California desert crop starts. Current packing is from the California Coast district and it is high in maturity and packers are experiencing some clear rot problems due to the weakness of the fruit. The Mexican fruit has been very small in size and limited juice content and experience some brown rot problems as well. The Chilean fruit has been light in supply due to the global shortage on lemons and Chile exporting to the Pacific Rim and other foreign countries, the overall quality of the Chilean fruit is fair, but you will see some quality issues as the fruit has 14 day ride from Chile and upon arrival we need to have the fruit warmed up and fumigated which causes problems to the fruit and typically we are re-packing due to decay.



ORANGES

The market is very strong as there are some houses that are finished for the season, the 88's and smaller continue to be the tightest and are a demand exceeds supply and will continue to be so through the rest of the season. Navels will start around the end of October; market will be tight until then. Overall the quality is fair with some fruit breaking down due to weakness contributed from lack of water and stress on the trees.



LIMES

Limes are sizing up a bit and the market is down. Demand is still good and all sizes are available. September is expected to be decent with some up-and-down markets.